

Appendix 10

Memorandums of Agreement and Letters of Commitment



INTERNATIONAL PAPER

Eastover Mill
4001 McCords Ferry Road
Eastover, SC 29044

Certified Mail

August 13, 2004

Ms. Renee G. Shealy, Division Director
Division of Air Planning, Development & Outreach
Bureau of Air Quality
SCDHEC
2600 Bull Street
Columbia, SC 29201

RECEIVED
AUG 16 2004
BUREAU OF AIR QUALITY

RE: International Paper Eastover Mill - Richland County
Memorandum of Agreement: NOx Emission Reduction

Dear Ms. Shealy:

Enclosed is the original fully executed Memorandum of Agreement regarding the NOx emission reduction commitment made for the International Paper Eastover Mill.

The NOx emission reduction commitment made for this facility is possible because of both past accomplishments and planned future activities to minimize emissions. The fuel use and combustion technology currently in place at the Eastover Mill result in relatively low NOx emissions for a facility of this size. We look forward to collaborating with SCDHEC on future opportunities to minimize NOx emissions from this facility.

Thank you for your efforts to ensure that appropriate non-attainment boundary designations for the 8-hour ozone standard were established in South Carolina. If you have any questions, please contact me at (803) 353-7916.

Sincerely,



James P. Witkowski, Manager
Environmental Engineering

Attachments

cc: A.D. Fary



ORIGINAL

MEMORANDUM OF AGREEMENT

The purpose of this Memorandum of Agreement (MOA) is to set forth measures for reducing nitrogen oxides (NO_x) emissions from major sources located in or near potential non-attainment areas in South Carolina in order to meet the new, more stringent 8-hour ozone standard. Compliance with this MOA will help South Carolina achieve cleaner air sooner by implementing early measures to reduce contributors of ozone-forming air pollutants in advance of federal requirements.

The Parties to this MOA are as follows: International Paper Company (International Paper) and the South Carolina Department of Health and Environmental Control (DHEC).

WHEREAS, International Paper owns and operates a paper mill located in Eastover, South Carolina with Title V Permit #1900-0046 (Eastover Mill);

WHEREAS, Title V Permit #1900-0046 Part 5.0 contains provisions for allowable NO_x emissions totaling 5,155 tons per year; and,

WHEREAS, DHEC has been designated pursuant to South Carolina law and by the Environmental Protection Agency as the state air quality-planning agency and as the state administrator of the approved Air Quality Program for the State of South Carolina.

NOW, THEREFORE, it is hereby agreed:

The Parties shall work in a cooperative effort to ensure that the requirements of this MOA are adhered to for the purpose of reducing NO_x emissions and attaining the 8-hour ozone standard.

It is further agreed and understood that:

1. The Eastover Mill is subject to the NO_x State Implementation Plan (SIP) Call as a large non-Electric Generating Unit (non-EGU) facility.
2. For the purposes stated above, the Eastover Mill will take an annual allowable NO_x emission reduction of 1,000 tons, facility wide.
3. The provisions of this MOA shall be implemented immediately upon execution of this MOA.
4. The provisions of this MOA shall be incorporated into the SIP for ozone attainment, and into Title V Permit #1900-0046 (reducing allowable NO_x emissions from 5,155 to 4,155 tons per year) upon any permit modification (i.e. reopening, renewal or reissuance) subsequent to execution of this MOA. Upon modification of the Title V permit to reflect the requirements contained herein, this MOA will become null and void.

Nothing contained herein shall be construed to limit DHEC's authority to impose additional conditions if required by Federal law.

ORIGINAL

FOR THE SOUTH CAROLINA DEPARTMENT
OF HEALTH AND ENVIRONMENTAL CONTROL

Date: 7/23/04
Columbia, South Carolina

By: Robert W. King, Jr.
Robert W. King, Jr., P.E.
Deputy Commissioner
Environmental Quality Control

FOR INTERNATIONAL PAPER COMPANY

A.D. Fary
Name
Resident Mgr.
Title

Date: 8/12/2004

Memorandum of Agreement
DHEC/IP Regarding NOx Emission Reduction

BOARD:
Elizabeth M. Hagood
Chairman
Mark B. Kent
Vice Chairman
Howard L. Brilliant, MD
Secretary



C. Earl Hunter, Commissioner
Promoting and protecting the health of the public and the environment.

BOARD:
Carl L. Brazell
Louisiana W. Wright
L. Michael Blackmon
Coleman F. Buckhouse, MD

September 30, 2004

Mr. Jack W. Preston, Jr., P.E.
South Carolina Electric & Gas Company
6248 Bush River Road
Mail Code P05
Columbia, SC 29212

Dear Mr. Preston:

Enclosed please find a signed copy of the Memorandum of Agreement for SCE&G Wateree.
Thank you for participating in our Ozone Early Action Compact efforts to bring cleaner air
sooner to South Carolina.

Sincerely,

Renee G. Shealy, Director
Division of Air Planning, Development & Outreach
Bureau of Air Quality

Enclosure

MEMORANDUM OF AGREEMENT

As a commitment to the Early Action Compact process, this Memorandum of Agreement (MOA) is entered into to set forth measures for reducing nitrogen oxides (NO_x) emissions from major sources located in or near potential non-attainment areas in South Carolina in order to meet the new and more stringent 8-hour ozone standard. Compliance with this MOA will help South Carolina achieve cleaner air sooner by implementing early measures to reduce contributors of ozone-forming air pollutants in advance of federal requirements

The Parties to this MOA are South Carolina Electric & Gas (SCE&G) and the South Carolina Department of Health and Environmental Control (DHEC) together "the Parties."

WHEREAS, SCE&G's Wateree Station (Permit # 1900 0013) is an electric generating power plant located near Eastover, South Carolina; and,

WHEREAS, DHEC has been designated pursuant to South Carolina law and by the Environmental Protection Agency as the state air quality-planning agency and as the state administrator of the approved Air Quality Program for the State of South Carolina.

NOW, THEREFORE, it is hereby agreed:

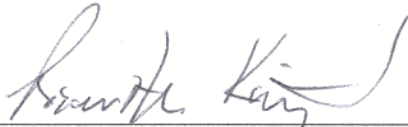
The Parties shall work in a cooperative effort to ensure that the requirements of this MOA are adhered to for the purpose of reducing NO_x emissions and attaining the 8-hour ozone standard.

It is further agreed and understood that:

1. SCE&G-Wateree Station shall operate selective catalytic reduction systems (SCR) on each boiler (Title V permit ID 01 & 02).
2. The SCRs shall operate continuously during the NO_x SIP Call ozone season (May 1 through September 30 each year) except for periods of startup, shutdown, or malfunction.
3. During this period, at no time shall the NO_x emissions from any boiler equipped with SCR exceed 0.15 lbs/MMBtu, averaged over the 5 month time period, excluding periods of startup, shutdown, or malfunction.
4. The provisions of this MOA shall be implemented through appropriate procedures, resolutions, or other means, in order to comply with the requirements of all Federal and State laws and regulations relating to the installation and operation of control devices.
5. The provisions of paragraphs 1, 2, and 3 above of this MOA shall be incorporated into the State Implementation Plan (SIP) and into SCE&G-Wateree Station's Title V permit upon any modification (*i.e.*, reopening, renewal or reissuance) subsequent to the execution of this MOA. The need for the provisions of paragraphs 1, 2, and 3 above will be reviewed and evaluated at each Title V renewal period. Upon modification of the Title V permit to reflect the requirements contained herein, this MOA will become null and void.


6. Nothing contained herein shall be construed to limit the Department's authority to impose additional conditions if required by State or Federal law. If further reductions become necessary to meet the eight-hour ozone standard, the Department may consider further reductions.

**FOR THE SOUTH CAROLINA DEPARTMENT
OF HEALTH AND ENVIRONMENTAL CONTROL**

By: 
Robert W. King, Jr., P.E.
Deputy Commissioner
Environmental Quality Control

Date: 9/27/04

FOR SOUTH CAROLINA ELECTRIC & GAS-WATEREE STATION

By: 
James M. Landreth
Vice President
Fossil Hydro Operations

Date: September 15, 2004



George T. Everett, Ph.D.
Vice President, Environmental and Public Policy

Duke Power
526 South Church Street
P.O. Box 1006
Charlotte, NC 28201-1006
704-373-4363
gterevett@duke-energy.com

October 18, 2004

Ms. Myra C. Reece
Bureau Chief, Bureau of Air Quality
SC DHEC
2600 Bull Street
Columbia, SC 29201-1708



Dear Ms. ~~Reece~~: *Myra*

Duke Power has been working with your staff for several months to establish measures for reducing nitrogen oxides (NOx) emissions from major sources located in or near potential non-attainment areas in South Carolina in order to meet the new, more stringent 8-hour ozone standard. These measures will help South Carolina achieve cleaner air sooner by implementing early measures to reduce contributors of ozone-forming air pollutants in advance of federal requirements.

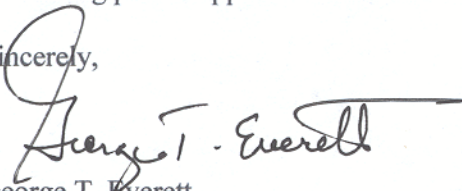
As a result of these ongoing discussions, it is agreed and understood that:

1. Duke Power-Lee Steam Station shall apply for the necessary permits to install and operate Separated Overfire Air (SOFA) low NOx combustion controls on coal-fired boiler Units 1 and 2 to reduce NOx emissions beginning with the 2006 ozone season.
2. Duke Power-Lee Steam Station installed Lower Firing (LOFIR) and SOFA combustion technologies in 2001 on coal-fired boiler Unit 3 to reduce NOx emissions.
3. These low NOx combustion controls on Units 1, 2, and 3 shall operate continuously during the NOx SIP Call ozone season (May 1 through September 30).
4. At no time shall the NOx emissions from Units 1, 2, and 3 exceed an emissions rate of 0.27 lbs/MMBtu, averaged for the station over the 5 month ozone season time period, excluding periods of startup, shutdown, or malfunction.
5. These limits shall be incorporated into the State Implementation Plan (SIP) and into Duke Power- Lee Steam Station's Title V permit upon any modification (i.e. reopening, renewal or reissuance).
6. Nothing in this letter limits the Department from seeking additional NOx reductions from these units if deemed necessary for attainment of air quality standards or visibility purposes.
7. Nothing in this letter shall be construed to limit the Department's authority to impose additional conditions if required by State or Federal law. If further reductions become necessary to meet the eight-hour ozone standard, the Department will document why the reductions are necessary from these sources instead of reductions from other sources and categories of sources.

Ms. Myra C. Reece
October 18, 2004
Page 2

Duke appreciates the opportunity to work with your staff to finalize these steps in the near future by submitting permit applications for the modifications at Lee Steam Station.

Sincerely,

A handwritten signature in black ink, appearing to read "George T. Everett", with a long horizontal flourish extending to the right.

George T. Everett
Vice President
Environmental & Public Policy

GTE/ssb

cc: Renee Shealy
William F. Hall, III
Mark Hays
D. G. Cook
Rick Roper
William J. Waggoner, Jr.
Kris Knudsen
Robert McMurry
William M. Pitts
Garry Rice

By Express Mail; Return Receipt Requested



October 30, 2003

Gas Pipeline - Transco
2800 Post Oak Boulevard (77056-6100)
P.O. Box 1396
Houston, Texas 77251-1396
713/215-2000

Ms. Renee Shealy, Director
Division of Air Planning, Development and Outreach
Bureau of Air Quality
South Carolina Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201-1708

RECEIVED

OCT 31 2003

Re: Air Permit Application - NO_x Emission Reductions
Transcontinental Gas Pipe Line Corporation (Transco)
Station 140 - Moore, SC; Operating Permit 2060-0179

BUREAU OF AIR QUALITY

Dear Ms. Shealy:

Transcontinental Gas Pipe Line Corporation (Transco) hereby submits two copies of an air permit application seeking authorization to significantly reduce NO_x emissions at its Station 140, located in Moore, Spartanburg County, South Carolina. As required, the application has been certified by an authorized company representative; a copy of the delegation of signature authority is provided for the Department's convenience.

As the Department is aware, Spartanburg County is currently not meeting the 8-hour ozone standard and will likely be designated as non-attainment in April 2004. In an effort to bring the area into compliance, Spartanburg and surrounding counties have implemented an Early Action Compact (EAC) designed to allow the area to attain the 8-hour ozone standard by 2007. In order to meet the NO_x emission reduction milestones outlined in the EAC, the Department recently requested that Transco Station 140 consider early implementation of NO_x emission reductions anticipated under Phase II of EPA's NO_x SIP Call.

As discussed, Transco understands the importance of the EAC and looks forward to working with the Department in its efforts to reduce the area's NO_x emissions. In the enclosed application, Transco seeks authorization to commence implementation of Station 140 NO_x emission reductions. As shown in the supporting documentation, Transco Station 140 proposes to begin engine overhauls in May 2004 and to begin engine combustion modifications in April 2005. Transco currently anticipates that proposed Transco Station 140 NO_x emission reductions would be fully implemented by December 2005.

Transco appreciates the Department's assistance with the expedited processing of this application. If you have any questions or require additional information, please contact me at (713) 215-4562.

Sincerely,

Mary Beth Whitfield, R.E.P.
Senior Environmental Specialist
Air Quality Compliance

Enclosures